



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Alex Gurza

SUBJECT: See Below

DATE: June 28, 2005

Approved

Ray Winer

Date

6/28/05

**SUBJECT: AGREEMENT WITH THE MUNICIPAL EMPLOYEES' FEDERATION,
(MEF) AFSCME LOCAL NO. 101, AFL-CIO**

RECOMMENDATION

Adoption of a resolution approving the terms of a Memorandum of Agreement with the Municipal Employees' Federation (MEF), and authorizing the City Manager to execute the agreement with a term of July 1, 2005 – June 30, 2008, subject to ratification by the MEF membership.

BACKGROUND

The current contract with MEF expires on Thursday, June 30, 2005. On June 26, 2005, the City and MEF reached a tentative agreement on a three-year Agreement, subject to ratification by the MEF membership.

ANALYSIS

Summary of tentative agreement includes:

Term

July 1, 2005, through June 30, 2008

Wages

1.5% general wage increase effective July 3, 2005.
3.75% general wage increase effective July 2, 2006.
3.00% general wage increase effective July 1, 2007.

Medical Benefits

Effective the first pay period of payroll calendar year 2006, increase employees' maximum contribution for medical insurance from \$25.00 to \$50.00 per month.

ANALYSIS (cont'd.)

Effective the first pay period of payroll calendar year 2007, increase employees' maximum contribution for medical insurance from \$50.00 to \$100.00 per month.

Effective the first pay period of payroll calendar year 2008, increase employees' maximum contribution for medical insurance from \$100.00 to \$150.00 per month.

Dental Benefits

Effective the first pay period of payroll calendar year 2006, introduce a cost sharing for dental benefits that includes 100% City paid for lowest priced plan and 95% City paid, 5% employee paid for other plans.

Part-Time Employees

Revise part-time employee work schedule for employees who are benefited at 75% from 30-39 hours per week to 30-34 hours per week (or 1560-1768 per year) and prorate the maximum number of hours newly hired part-time unbenefited employees may work based on hire date.

During payroll calendar year 2005, a part-time employee may be approved to work up to 300 hours above the maximum paid hours in their current benefit category. During payroll calendar year 2006, a part-time employee may be approved to work up to 150 hours above the maximum paid hours in their current benefit category.

Create a Part-Time Labor Management Committee to address issues regarding part-time benefited and unbenefited employees.

Bilingual Pay

Effective July 1, 2007, expand bilingual pay to eligible part-time unbenefited employees at the rate of fifteen cents (\$.15) per hour.

Premium Pay

Effective July 2, 2006, the classifications Planner I, II and Sr. Planner shall be eligible to receive a professional achievement incentive of 1% (paid biweekly) in addition to their base wages for certification through the American Institute of Certified Planners (AICP).

Vacation Accrual

Effective the first pay period of payroll calendar year 2007, employees' paychecks will reflect actual accrued vacation and employees can accrue up to two times their annual vacation accrual rate.

June 28, 2005

Subject: Tentative Agreement with MEF

Page 3 of 3

ANALYSIS (cont'd.)

- Personal Leave** Effective the first pay period of payroll calendar year 2007, full-time employees will receive eight (8) additional hours of personal leave per year for a total of twenty-four (24) personal leave hours per year.
- Use of Volunteers** Revise Recognition Article to clarify that the use of volunteers can be considered contracting out of bargaining unit work.
- Substance Abuse Program** Revisions and clarification to existing program.
- Reclassification Process** This program will be suspended for 05/06 FY and a revised program will be restored for the 06/07 FY and continue for the term of this agreement.

PUBLIC OUTREACH

Not applicable.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, and the City Manager's Budget Office.

COST IMPLICATIONS

The ongoing increased annual direct cost of this agreement is approximately \$2.38 million in the first year, \$6.09 million in the second year and \$5.07 million in the third year. The indirect costs include the addition of eight (8) hours of personal leave in the second year. The changes to the health and dental cost-sharing formula will not take effect until January 2006, January 2007, and January 2008. The actual change to City costs will be based upon the health and dental rates established by the providers for the 2006, 2007, and 2008 calendar years, which are not available at this time.



Alex Gurza
Director of Employee Relations